



SASBADI HOLDINGS BERHAD

201201038178 (1022660-T)

Incorporated in Malaysia

FIRST QUARTER REPORT ENDED 30 NOVEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2020 ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2020 RM'000	Preceding Year Quarter 30.11.2019 RM'000	Current Year-To-Date 30.11.2020 RM'000	Preceding Year-To-Date 30.11.2019 RM'000
Revenue	14,487	27,745	14,487	27,745
Cost of sales	(8,764)	(14,177)	(8,764)	(14,177)
Gross profit	5,723	13,568	5,723	13,568
Other operating income	382	111	382	111
Distribution expenses	(1,473)	(2,255)	(1,473)	(2,255)
Administrative expenses	(2,882)	(3,464)	(2,882)	(3,464)
Other operating expenses	(909)	(1,410)	(909)	(1,410)
Results from operating activities	841	6,550	841	6,550
Finance income	2	3	2	3
Finance costs	(567)	(676)	(567)	(676)
Profit before tax	276	5,877	276	5,877
Taxation	(138)	(1,856)	(138)	(1,856)
Net profit for the financial period	138	4,021	138	4,021
Other comprehensive income for the financial period, net of tax : Item that is or may be reclassified subsequently to profit or loss				
Fair value of equity investments through other comprehensive income	3	5	3	5
Other comprehensive income for the financial period, net of tax	3	5	3	5
Total comprehensive income for the financial period	141	4,026	141	4,026
Net profit for the financial period attributable to:				
- Owners of the Company	138	4,021	138	4,021
- Non-controlling interests	-	-	-	-
	138	4,021	138	4,021
Total comprehensive income attributable to:				
- Owners of the Company	141	4,026	141	4,026
- Non-controlling interests	-	-	-	-
	141	4,026	141	4,026
Earnings per share (sen) attributable to owners of the Company:				
- Basic	0.03	0.96	0.03	0.96
- Diluted	0.03	N/A	0.03	N/A

Notes:

(1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements of Sasbadi Holdings Berhad ("the Company") for the financial year ended 31 August 2020 and the accompanying explanatory notes attached to these interim financial statements.

N/A Not Applicable



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2020 ⁽¹⁾

	Unaudited As at 30.11.2020 RM'000	Audited As at 31.08.2020 RM'000
ASSETS		
Property, plant and equipment	44,532	44,967
Rights-of-use assets	1,821	2,025
Investment properties	2,413	2,426
Intangible assets	23,296	23,650
Other investments	230	227
Deferred tax assets	1,310	1,396
Total non-current assets	73,602	74,691
Inventories	72,315	69,386
Rights to recover returned goods	1,107	1,283
Contract costs	545	597
Trade and other receivables	47,231	40,356
Current tax assets	5,683	5,537
Prepayments	4,661	4,688
Cash and cash equivalents	7,479	6,230
Total current assets	139,021	128,077
Asset classified as held for sale	-	6,998
Total assets	212,623	209,766
EQUITY		
Share capital	108,210	108,210
Treasury shares	(1)	(1)
Reserves	37,974	37,833
Total equity	146,183	146,042
LIABILITIES		
Loans and borrowings	9,148	10,700
Lease liabilities	805	1,191
Deferred tax liabilities	7,315	7,332
Total non-current liabilities	17,268	19,223
Loans and borrowings	26,010	26,976
Lease liabilities	1,197	887
Refund liabilities	2,076	2,414
Trade and other payables	18,094	12,284
Contract liabilities	1,795	1,940
Total current liabilities	49,172	44,501
Total liabilities	66,440	63,724
Total equity and liabilities	212,623	209,766
Net assets per share attributable to owners of the Company (RM)	0.35	0.35

Notes:

(1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2020 and the accompanying explanatory notes attached to these interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE (3) MONTHS ENDED 30 NOVEMBER 2020 ⁽¹⁾

	<----- Non-distributable ----->						Distributable	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share Options reserve RM'000	Merger deficit RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	
At 1 September 2020	108,210	(1)	400	(50,500)	(44)	22,174	65,803	146,042
Total comprehensive income for the financial period	-	-	-	-	3	-	138	141
At 30 November 2020	108,210	(1)	400	(50,500)	(41)	22,174	65,941	146,183
As at 1 September 2019	108,210	(1)	-	(50,500)	(6)	22,484	74,755	154,942
Total comprehensive income for the financial period	-	-	-	-	5	-	4,021	4,026
At 30 November 2019	108,210	(1)	-	(50,500)	(1)	22,484	78,776	158,968

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2020 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE (3) MONTHS ENDED 30 NOVEMBER 2020 ⁽¹⁾

	Current Year-To-Date 30.11.2020 RM'000	Preceding Year-To-Date 30.11.2019 RM'000
Cash flows from operating activities		
Profit before tax	276	5,877
Adjustments for:		
Amortisation of intangible assets	354	354
Depreciation of property, plant and equipment	455	557
Depreciation of investment properties	13	17
Depreciation of rights-of-use assets	235	238
Dividend income	(1)	(3)
Impairment loss on trade receivables	271	663
Gain on disposal of property, plant and equipment	-	(69)
Unrealised foreign exchange loss	-	1
Finance costs	567	676
Finance income	(2)	(3)
Operating profit before changes in working capital	2,168	8,308
Changes in inventories	(2,929)	(2,294)
Changes in rights to recover returned goods	176	(341)
Changes in contract costs	52	19
Changes in trade and other receivables and prepayments	(121)	(11,885)
Changes in refund liabilities	(338)	703
Changes in trade and other payables	5,810	1,522
Changes in contract liabilities	(145)	(94)
Cash generated from/(used in) operations	4,673	(4,062)
Tax paid	(525)	(1,345)
Tax refunded	310	48
Interest paid	(373)	(398)
Interest received	2	3
Net cash generated from/(used in) operating activities	4,087	(5,754)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	94
Dividend received from other investments	1	3
Acquisition of intangible assets	-	(15)
Acquisition of property, plant and equipment	(20)	(123)
Net cash used in investing activities	(19)	(41)

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2020 and the accompanying explanatory notes attached to these interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE (3) MONTHS ENDED 30 NOVEMBER 2020 ⁽¹⁾ (CONT'D)

	Current Year-To-Date 30.11.2020 RM'000	Preceding Year-To-Date 30.11.2019 RM'000
Cash flows from financing activities		
Net (repayment)/drawdown of bankers' acceptances	(4,064)	5,329
Net repayment of finance lease liabilities	(158)	(27)
Repayment of term loans	(681)	(889)
Net payment of lease liabilities	(134)	(254)
Interest paid	(167)	(249)
Net cash (used in)/generated from financing activities	<u>(5,204)</u>	<u>3,910</u>
Net decrease in cash and cash equivalents	(1,136)	(1,885)
Cash and cash equivalents at beginning of the financial period	(12,495)	(9,626)
Cash and cash equivalents at end of the financial period	<u>(13,631)</u>	<u>(11,511)</u>

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	Current Year-To-Date 30.11.2020 RM'000	Preceding Year-To-Date 30.11.2019 RM'000
Cash and bank balances	6,734	6,145
Deposit placed with a licensed bank	745	733
	<u>7,479</u>	<u>6,878</u>
Less : Deposits pledged	(631)	(621)
Bank overdrafts	(20,479)	(17,768)
	<u>(13,631)</u>	<u>(11,511)</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2020 and the accompanying explanatory notes attached to these interim financial statements.



A. EXPLANATION NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. Accounting Policies and Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”), and paragraph 9.22 and Part A of Appendix 9B of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

These interim financial statements should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2020 and the accompanying explanatory notes attached to these interim financial statements.

These interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries (“the Group”) since the financial year ended 31 August 2020.

The significant accounting policies and methods of computation applied in these unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Audited Financial Statements of the Company for the financial year ended 31 August 2020, except for the following accounting standards, amendments and interpretations that have been issued by the MASB but have not been adopted by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 4, *Insurance Contracts*, MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, and MFRS 16, *Leases - Interest Rate Benchmark Reform - Phase 2*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*, and MFRS 9 *Financial Instruments*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the accounting standards, amendments or interpretations is not expected to have any material financial impact to the financial statements of the Group.



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A. EXPLANATION NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING (CONT'D)

A2. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Reports on the financial statements of the Company and its subsidiaries for the financial year ended 31 August 2020 were not qualified.

A3. Seasonality or Cyclicity of Operations

The Group's business operations are exposed to seasonality patterns as the Group generally experiences higher quarterly sales in the second financial quarter (December to February) and lower quarterly sales in the fourth financial quarter (June to August) compared to the other two (2) financial quarters. This is primarily caused by the timing of the start of the academic year for national schools. As a result, the seasonal sales patterns may adversely impact on the Group's quarterly revenue, profit and cash flow.

Nevertheless, the Group takes the seasonality patterns into consideration in our cash flow planning. In addition, the Group has implemented strategies to reduce the seasonality patterns such as expanding our market shares for non-academic segment which is less prone to seasonality, and entering into new market segments.

A4. Unusual Items Affecting the Financial Statements

The World Health Organisation (WHO) declared COVID-19 a global pandemic on 11 March 2020. Following this, the Government of Malaysia had imposed a series of Movement Control Order ("MCO") pursuant to the Prevention and Control of Disease Act 1988 ("PCDA"), which resulted in major disruptions to the Company's business operations all round.

There were no significant items affecting the assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size and incidence during the current financial quarter.

A5. Changes in Estimates

There were no material changes in the estimates that have a material effect in the current financial quarter and financial year-to-date.

A6. Debt and Equity Securities

Employees' Share Option Scheme ("ESOS")

The Company has implemented an ESOS of up to ten percent (10%) of the Company's issued and paid-up share capital (excluding treasury shares, if any) for the eligible employees and executive directors of the Group effective from 1 September 2016. On 6 December 2019, the Company offered 10,000,000 options at an exercise price of RM0.17 each to its eligible employees under the ESOS. These options have expired on 5 December 2020 and none of the options granted were exercised.

Repurchase of Shares

The Company did not repurchase any of its own shares from the open market during the current financial quarter.

Save as disclosed above, there was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current financial quarter and current financial year-to-date.

A7. Dividend Paid

No dividend was paid by the Company in the current financial quarter.



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A. EXPLANATION NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A8. Segment Information

Segmental information is presented by the Group in accordance with the Group’s operations and products, to provide for better monitoring and management, and clearer performance reporting.

Current financial quarter/year-to-date ended 30 November 2020

	Print Publishing RM'000	Digital & Network Marketing * RM'000	ALP & STEM Education ^ RM'000	Inter- segment elimination RM'000	Total RM'000
Revenue	13,209	1,276	679	(677)	14,487
Cost of sales	(8,085)	(991)	(185)	497	(8,764)
Gross profit/(loss)	<u>5,124</u>	<u>285</u>	<u>494</u>	<u>(180)</u>	<u>5,723</u>
Add/(Less):					
Other operating income					382
Distribution expenses					(1,473)
Administrative expenses					(2,882)
Other operating expenses					(909)
Results from operating activities					<u>841</u>

Preceding financial year's corresponding quarter/year-to-date ended 30 November 2019

	Print Publishing RM'000	Digital & Network Marketing * RM'000	ALP & STEM Education ^ RM'000	Inter-segment elimination RM'000	Total RM'000
Revenue	26,434	906	853	(448)	27,745
Cost of sales	(13,255)	(919)	(301)	298	(14,177)
Gross profit/(loss)	<u>13,179</u>	<u>(13)</u>	<u>552</u>	<u>(150)</u>	<u>13,568</u>
Add/(Less):					
Other operating income					111
Distribution expenses					(2,255)
Administrative expenses					(3,464)
Other operating expenses					(1,410)
Results from operating activities					<u>6,550</u>

Notes:

* Digital/Online and Technology-enabled Solutions and Network Marketing Business Division

^ Applied Learning Products ("ALP") and Science, Technology, Engineering and Mathematics ("STEM") Education Services Division



A. EXPLANATION NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A9. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment undertaken in the current financial quarter.

A10. Material Events Subsequent to the End of the Interim Period

There is no material event subsequent to the end of the current financial quarter up to the date of this report.

A11. Effects of Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial quarter.

A12. Capital Commitments

There were no material capital commitments for the Group at the end of the current financial quarter.

A13. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

There were no material changes in the Group's contingent liabilities since the last audited statement of financial position as at 31 August 2020.

Contingent Assets

The Group does not have any material contingent assets as at 30 November 2020.

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1. Review of Performance****Current Quarter ended 30 November 2020 against Preceding Financial Year's Corresponding Quarter/Year-to-date ended 30 November 2019**

The Group recorded a revenue of RM14.487 million for the current financial quarter as compared to RM27.745 million for the preceding financial year's corresponding quarter. This represents a decrease of RM13.258 million (equivalent to 47.79%) mainly due to the Print Publishing Division, which showed a decrease of RM13.225 million.

The drop in revenue was due to the delay in the new school term which began on 20 January 2021, resulting in a delay of book orders for the new academic year.

The Group recorded a profit before tax ("PBT") of RM0.276 million for the current financial quarter vis-à-vis a PBT of RM5.877 million for the preceding financial year's corresponding quarter due to lower revenue achieved, but this was partially set-off by the lower expenses incurred during the period as a result of various cost cutting measures implemented by the Group.

B2. Variation of Results for the Current Financial Quarter ended 30 November 2020 against the Immediate Preceding Financial Quarter

	Current Quarter 30.11.2020 RM'000	Preceding Quarter 31.08.2020 RM'000	Change RM'000
Revenue	14,487	7,162	7,325
Profit/(Loss) Before Tax	<u>276</u>	<u>(7,667)</u>	7,943

The Group recorded a revenue of RM14.487 million for the current financial quarter as compared to RM7.162 million for the immediate preceding financial quarter, representing an increase of RM7.325 million (equivalent to 102.28%). The increase is mainly due to the immediate preceding financial quarter being a seasonally weak financial quarter as explained in note A3.

Similarly, the Group recorded a profit before tax ("PBT") of RM0.276 million for the current financial quarter as compared to a LBT of RM7.667 million for the immediate preceding financial quarter due to higher revenue earned from the supply of textbooks to the Ministry of Education ("MOE") and better academic book sales for the current financial quarter.



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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B3. Group's Prospects for the financial year ending ("FYE") 31 August 2021

The financial year ended 31 August 2020 proved to be a challenging year for the Group, largely due to the COVID-19 pandemic and the Movement Control Order which significantly impacted the Group's overall operations. As we set foot into the new financial year ending 31 August 2021, we anticipate the retail market conditions will continue to remain challenging.

As the education sector continues to see an increasing use of digital services, the Group intends to benefit optimally from these communications and multimedia technologies. Thus, for the financial year ending 31 August 2021, the Group would continue to allocate more resources to the digital solutions segment and remain hopeful that the catalytic effect of the MCO on the digital transformation would spur the growth of the Group.

We anticipate the demand for our English upskilling product, Linguaskill by Cambridge Assessment English to continue to pick up when the institutions for higher learning begin to accept students' enrolment for the new academic year over the coming months. Linguaskill is recognised by the Ministry of Higher Learning ("MOHE"), Malaysian Qualifications Agency ("MQA") and Education Malaysia Global Services ("EMGS") as an official English competency test for private university admission and benchmarking as well as in the application of student visas by international students.

Further, in October 2020, Linguaskill has also been accepted by the MOE as one of the approved English competency tests to assess the readiness of English teachers in Malaysia with the Common European Framework of Reference for Languages ("CEFR"). Being fully digital and highly functional, Linguaskill would be able to meet the diverse demands of the market today.

The Group will be launching an e-tuition platform, "Tutor2U". Through Tutor2U, students in Malaysia would be able to receive on-demand, e-tuition services from teachers across the country, as well as subscribe to an array of learning resources and videos prepared by teachers. The launch of this platform represents the Group's first step into the gig economy business.

The print publishing segment will continue to remain relevant due to the prevailing digital divide. The Group also hopes to gain a bigger market share by offering a diverse range of educational products that combine both the conventional print publishing products and digital education solutions. We have seen an increase in demand for our hybrid print publishing products in the run-up to the new academic year.

The Group will continue to grow the non-academic print publication segment and hopes to ride on the wave of the 10-year National Reading Decade 2021-2030 programme launched by the Minister of Education with the aim to transform Malaysia into a Reading Nation by 2030. More notably the Group will soon launch a major series of CEFR English Readers with 200 titles targeting pre-schoolers and primary school year 1-3 students.

The Group aims to expand its market share going forward as we expect the market to consolidate further and our diverse range of products will be able to meet the diverse demands of the current situation. This would benefit the Group as it further strengthens its economies of scale. All things considered, we are conservatively optimistic about the Group's prospects for FYE 31 August 2021 despite these challenging times.



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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B4. Variance of Profit Forecast

No profit forecast has been issued by the Group previously in any public document.

B5. Notes to the Statement of Comprehensive Income

The profit before tax is arrived at after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2020 RM'000	Preceding Year Quarter 30.11.2019 RM'000	Current Year-To-Date 30.11.2020 RM'000	Preceding Year-To-Date 30.11.2019 RM'000
Amortisation of intangible assets	354	354	354	354
Depreciation on property, plant and equipment	455	557	455	557
Depreciation on investment properties	13	17	13	17
Depreciation on rights-of-use assets	235	238	235	238
Dividend income	(1)	(3)	(1)	(3)
Gain on disposal of property, plant and equipment	-	(69)	-	(69)
Impairment loss on trade receivables	271	663	271	663
Finance costs	567	676	567	676
Finance income	(2)	(3)	(2)	(3)
Realised foreign exchange loss	-	1	-	1
Unrealised foreign exchange (gain)/loss	-	1	-	1

Save as disclosed above, the other items as required under paragraph 16 of Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

B6. Income Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2020 RM'000	Preceding Year Quarter 30.11.2019 RM'000	Current Year-To-Date 30.11.2020 RM'000	Preceding Year-To-Date 30.11.2019 RM'000
Current tax expense				
Current period	69	1,892	69	1,892
Deferred tax expense				
Current period	69	(36)	69	(36)
	138	1,856	138	1,856

The effective tax rate for the current financial quarter is higher than the statutory tax rate of 24% mainly arises from unallowable expenses of the Group.

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B7. Status of Corporate Proposals and Utilisation of Proceeds**

i) Status of Corporate Proposals

Save as disclosed below, there were no corporate proposals announced but not completed at the date of this report:

(a) Proposed Private Placement

On 14 September 2020, the Company has announced that it will undertake a private placement of up to 42,909,850 new ordinary shares in Sasbadi Holdings Berhad ("Placement Shares"), representing ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company, at an issue price to be determined and announced later ("Proposed Private Placement"). Bursa Securities has, vide its letter dated 18 September 2020, approved the listing of and quotation for the Placement Shares subject to the certain conditions. The Proposed Private Placement is currently pending completion.

(b) Proposed Disposal of Property

Sasbadi Sdn Bhd, a wholly owned subsidiary of the Company, had on 17 August 2020 entered into a conditional sale and purchase agreement with KL Med Supplies (M) Sdn Bhd for the disposal of a parcel of leasehold industrial land held under H.S.(D) 283534, PT 12527, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor, measuring approximately 1,157.993 square meters (equivalent to 12,464.53 square feet) with a three (3) – storey factory building erected thereon, for a total cash consideration of RM7,150,000. The consent to transfer and charge has been obtained on 15 October 2020 and currently the proposal is pending completion.

ii) Utilisation of Proceeds

As at the date of this report, all proceeds from corporate proposals implemented by the Company in the past have been fully utilised.

B8. Loans and Borrowings

The Group's loans and borrowings as at 30 November 2020 were as follows:

	As at 30.11.2020 RM'000	As at 31.08.2019 RM'000
Non-current		
Finance lease liabilities	59	264
Term loans - secured	9,089	10,436
	<u>9,148</u>	<u>10,700</u>
Current		
Finance lease liabilities	159	112
Term loans - secured	4,513	3,847
Bank overdrafts - secured	20,479	18,094
Bankers' acceptances - secured	859	4,923
	<u>26,010</u>	<u>26,976</u>
	<u>35,158</u>	<u>37,676</u>

The above borrowings are denominated in Ringgit Malaysia.

B9. Material Litigation

There is no pending material litigation at the date of this report.

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B10. Dividend**

No dividend has been declared or recommended for payment by the Company for the current financial quarter.

B11. Earnings Per Share ("EPS")

The basic earnings per share for the current financial quarter is computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2020 RM'000	Preceding Year Quarter 30.11.2019 RM'000	Current Year-To-Date 30.11.2020 RM'000	Preceding Year-To-Date 30.11.2019 RM'000
Net profit/(loss) attributable to owners of the Company	138	4,021	138	4,021
Weighted average number of ordinary shares in issue ('000)	419,099	419,099	419,099	419,099
Basic earnings/(loss) per ordinary share (sen)	0.03	0.96	0.03	0.96
Diluted earnings/(loss) per ordinary share (sen)	0.03	N/A	0.03	N/A

Diluted EPS of the Group for the current quarter 30 November 2020 is equivalent to the basic EPS as the ESOS had an anti-dilutive effect on the basic EPS and the Group has no other dilutive potential ordinary shares in issue at the end of the reporting period.

B12. Derivative Financial Instruments

The Group did not enter into any derivative financial instruments which were outstanding as at 30 November 2020.

By order of the Board
Kuala Lumpur
27 January 2021